

organizations to facilitate the administration of research and other programs supported by federal funds. Such legally independent entities are often referred to as “foundations,” although this term does not necessarily appear in the name of the organization. An institution awarded an endowment grant under section 464z-3(h) of the Act or using designated grant funds for endowment purposes under section 464z-4(f) of the Act may designate a foundation associated with the institution to receive the endowment funds only for investment purposes if:

- (a) The institution assures in its application that the foundation is legally authorized to receive the endowment funds and to administer the endowment funds in accordance with the regulations set forth in this part;
- (b) The foundation agrees to administer the endowment funds in accordance with the regulations in this part;
- (c) The institution agrees to be liable for any violation by the foundation of any applicable regulation, including any violation resulting in monetary liability; and
- (d) The grantee institution has control and is responsible for the administration of the grant accounts.

§ 52i.5 How to apply for a grant.

(a) Each institution interested in applying for a grant under section 464z-3(h) of the Act must submit an application at such time and in such form and manner as the Secretary may prescribe.

(b) An institution described in § 52i.3 that has received a grant under this part may apply for another grant under this part if:

- (1)(i) The institution still meets the eligibility requirements in § 52i.3; and
- (ii) The institution is in the last year of funding provided by NIH under this part; or
- (2) The institution no longer has an active grant under this part from NIH.

§ 52i.6 Evaluation and award of research endowment grant applications.

All applications filed in accordance with this part and meeting the minimal eligibility requirements shall be evaluated and recommended by tech-

nical and scientific peer review. The review evaluation shall take into account, among other pertinent factors:

- (a) The scientific and technical merit of the proposed project to facilitate minority health disparities research and other health disparities research;
- (b) The likelihood of its producing meaningful results;
- (c) The adequacy of the applicant's resources available for the project; and
- (d) The adequacy of the applicant's plan for managing the endowment fund.

§ 52i.7 Grant awards.

(a) Within the limits of funds, and upon such review and recommendation as may be required by law, the Director shall award a grant to those applicants whose approved projects will in the Director's judgment best promote the purposes of this part.

(b) An institution described in § 52i.3 that receives a grant under this part or an institution described in section 464z-4(f) of the Act authorized to use grant funds for endowment purposes shall follow the spending rules under the law of the state in which the institution is located and the spending rules/policies adopted by the recipient institution, provided that such spending rules are not inconsistent with applicable federal regulations/policies.

(c) Grants awarded under this part or grant funds designated for endowment purposes as described under section 464z-4(f) of the Act must be invested no later than 90 days after the start date of the grant.

(d) The institution, in investing the endowment fund established under this section, shall exercise the judgment and care, under the circumstances then prevailing, that a person of prudence, discretion, and intelligence would exercise in the management of such person's own affairs and avoid all appearances of conflict of interest in the management of this fund.

(e) The total amount of an endowment grant under this part or the designated amount of the grant under section 464z-4(f) of the Act must be maintained as corpus by the institution for 20 years from the end of the project period.